

CALIFORNIA VICTIM COMPENSATION AND GOVERNMENT CLAIMS BOARD

Victim Compensation Program

February 16, 2006

**630 "K" Street
First Floor Hearing Room
Sacramento, California**

RECOMMENDATION TO ADJUST MENTAL HEALTH REIMBURSEMENT RATES

Summary

Government Code section 13957 generally establishes maximum amounts for reimbursement of mental health expenses in the amount of \$10,000 for direct victims and \$3,000 for most derivative victims. The Board has adopted mental health session rates to be applied within the statutory dollar parameters. Staff is proposing increases to the current mental health rates pursuant to the Board's authority granted in Government Code section 13957.2. The new reimbursement rates will be filed with the Secretary of State.

Statutory Authority

Government Code section 13957.2 authorizes the Board to establish maximum rates and service limitations for reimbursement of mental health services without the necessity of going through the regulatory process. Upon adoption by the Board, an informational copy must be filed with the Secretary of State.

Background

On October 31, 1988, the Board adopted the following mental health hourly rates for individual and group therapy:

- \$90 for Psychologists and Psychiatrists
- \$70 for Marriage and Family Therapists (MFTs) and Licensed Clinical Social Workers (LCSWs)
- Group therapy rates were set at 40 percent of the individual therapy rates.

On January 30, 2001, the Board acted to raise those mental health rates, which had remained unchanged since October of 1988. The new rates were based on a statewide survey of 100 mental health providers. The new mental health rates for service dates on or after March 1, 2001, were as follows:

- \$130 for Psychiatrists
- \$110 for Psychologists
- \$90 for MFTs and LCSWs
- Group therapy rates continued to be reimbursed at 40 percent of the individual therapy rates.

Subsequently, in response to Restitution Fund instability, the Board returned to the rates established in 1988. The return to the former rates was applied to requests for reimbursement of mental health services provided on or after September 1, 2002.

Proposed Rate Changes

Staff recommends that the Board raise the current mental health rates to the following:

- \$130 for Psychiatrists
- \$110 for Psychologists
- \$90 for MFTs and LCSWs
- Group therapy rates would continue to be reimbursed at 40 percent of the individual therapy rates.

The Restitution Fund is now stable and the rates recommended are consistent with current professional mental health rates.¹ Staff believes that increasing the rates will enhance access for victims by expanding the number of mental health professionals that provide services to victims. Based on data for the 2004/2005 fiscal year, the anticipated fiscal impact of the rate increases would be approximately \$4.3 million. Staff recognizes the potential for an increase in applications as a result of increased access for victims to mental health services. Therefore, Staff will make quarterly reports to the Board as Staff monitors reimbursement applications.

Mental health reimbursement will continue to be subject to the statutory dollar limitations. The Board has the ability to make further adjustments to the rates at any time should the circumstances so require.

Staff Recommendations

1. Increase the mental health reimbursement rates upon adoption by the Board.
2. Require staff to report to the Board on the effect of the new reimbursement rates in one year.

¹ A study of four victim compensation programs in other states found hourly payment rates to be comparable to the rates recommended herein. The states surveyed were Washington, Oregon, New York, and New Jersey. Average hourly reimbursement rates were as follows: \$144 for psychiatrists, \$117 for psychologists, and \$88 for MFT/LCSW.